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MARKET ANALYSIS - October 31, 2002

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Corn trade has been on the defensive all week long despite disruptions in harvest due to wintry weather. Harvest progress stood at 66% on the weekly progress number - an impressive gain over the 51% last week - given the bad weather. Moreover, although tight carryover numbers seem to suggest that prices should spike upwards, an absence of solid demand news has been keeping corn from making a seasonal bounce. Traders being concerned about the slow export pace further hindered the bull story. However, a positive sales number by the end of the week changed some of the negative demand opinions when sales came in at 1.028 million metric ton – way over expectations. The lack of farmer selling and firm basis levels is also noted to be supporting trade. No change in strategy this week - hedgers should have protection on almost all production now and maybe consider taking some profits from the puts if cash flow is an issue. The September Census Crush number set the tone for the beans early in the week with 123.976 million bushels being considered to be supportive to the market. The market focus is now firmly focused on South America at this juncture. This will be the first year ever that South America will out-produce the U.S.. However, this a function of the low yields in the U.S. just as much as the increased production in South America. Soybean harvest is reported to be up from 74% last week to 84% this week, which is a progress rate of roughly 4% ahead of last year. Soybean trade ended the week on a very impressive note driven in part by the buying up of contracts in the soybean oil pit by the funds (and hence spillover to beans) and an extremely large export sales figure – an outstanding 1.65 million tons! These two factors combined pushed prices up about 10 cents. Hedgers should have taken some profits from puts at this point and use the loan rate for the downside protection. Wheat trade is being pressurized (perhaps surprisingly) by the fact that there is not much news out there. The winter wheat planting progress was listed at 84% and some traders are hoping that the tight global supply situation (stemming mainly from Australia) and weaker dollar will keep the prices at these decent levels. However, wheat trade ended down on the week following a rather benign export sales figure - right in the middle of expectations at 434 thousand metric ton. We saw the price reaction simply because traders were hoping for better news from this source. Hedgers should have puts in place for the old crop and puts on a significant percentage of new Crop.

BASIS TABLE

		12 12								
LOCATION	CORN CASH (Dec02)	BASIS NEW (Dec02)	SOYBEA CASH (Nov02)	AN BASIS NEW(Nov02)	WHEAT BASIS CASH(Dec02) NEW(Jul03					
Baltimore	n/a	n/a	-\$.29	-\$.29	n/a	n/a				
Western MD	+\$.56	n/a	+\$.02	n/a	-\$.21	n/a				
Central MD	+\$.37	+\$.29	-\$.19	-\$.17	+\$.06	-\$.19				
Southern MD	+\$.24	+\$.24	-\$.06	-\$.06	-\$.26	-\$.27				
Upper E. Sh	+\$.34	+\$.34	-\$.01	-\$.01	-\$.26	-\$.22				
Lower E. Sh	+\$.44	+\$.44	+\$.09	+\$09	-\$.24	-\$.19				

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

With only 3.8 **days suitable for fieldwork**, harvest for soybeans were hampered due to wet conditions. **Soybean harvest** is behind schedule at 32 percent complete, 27 percent less than the previous year, and 14 percent behind the five year average. As harvesting activities continue, low yields are reported due to drought conditions from earlier in the growing season. Some fields will not be harvested due to poor yields. **Barley** planting is nearing completion at 93 percent, 2 percent ahead of last year, and 7 percent ahead of the five year average. Barley is rated 16 percent in excellent condition, 64 percent good, 19 percent fair, and 1 percent poor. **Winter wheat** is 57 percent planted, 2 percent behind last year and 6 percent ahead of the average. Wheat is rated 13 percent excellent, 56 percent good, 30 percent fair, and 1 percent poor. Precipitation for the week ranged from .4 inches in Garrett County to 1.3 inches in Wicomoco county. All counties have received above average accumulations of precipitation for the month so far. The rain is needed to restore soil moisture, which has improved over the previous three weeks. **Topsoil** is rated 5 percent surplus, 82 percent adequate, 11 percent short, and 2 percent very short. **Subsoil** is rated 2 percent surplus, 35 percent adequate, 48 percent short, and 15 percent very short.

Grade and Commodity	#2 Y S	Shelled orn	#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	10/23	10/30	10/23	10/30	10/23	10/30	10/23	10/30
Baltimore	_		5.30	5.35				
Western Md	2.95	3.03	5.65	5.66	3.70	3.85	1.58	1.78
Central MD	2.87	2.84	5.42	5.45	4.01	4.12	1.50	1.50
Southern MD	2.75	2.71	5.55	5.58	3.70	3.80		1.45
Upper E. Sh	2.80	2.81	5.54	5.63	3.70	3.80		
Lower E. Sh	2.92	2.91	5.68	5.73	3.72	3.82		1.30

Soybean Meal	Lower Easte	ern Shore	Dealer's Avera	ge Cash Quotes (\$/ton)	
Date	10/23	10/30	Date	10/23	10/30
48% Soybean Meal	206.00	203.00	44% Soybean Meal	194.00	191.00

FORWARD CONTR	ACT PRICE	-REGIONA	L (\$/bu) For	Harvest deli	ivery Dealer	's Avg Quote	!	
Grade and Commodity		Shelled orn		ellow beans	#2 Red Winter Wheat		#3 Barley	
Date	10/23	10/30	10/23	10/30	10/23	10/30	10/23	10/30
Baltimore			5.30	5.35				
Western Md	2.93		5.75					
Central MD	2.81	2.76	5.38	5.47	3.07	3.04		
Southern MD	2.75	2.71	5.55	5.58	2.99	2.96	1.45	
Upper E Shore	2.80	2.81	5.54	5.63	3.04	3.01	1.60	1.60
Lower E Shore	2.92	2.91	5.68	5.73	3.06	3.04	1.54	1.54

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Oct 30, 2002

	Corn		Soybeans		Wheat	Soyb	ean Meal ¹
Dec	246.00	Nov	557.00	Dec	406.75	Dec	168.10
Mr03	250.00	Ja03	558.25	Mr03	403.00	Ja03	169.00
May	252.75	Mar	552.75	May	371.00	Mar	168.60
Jul	254.50	May	546.25	Jul	325.50	May	166.50
Sept	248.75	Jul	542.75	Sept	329.00	Jul	165.30
Dec	244.75	Aug	535.00	Dec	338.50	Aug	163.60

HAY AND S	STRAW (\$/cwt))					
		Oct 28, 2002 - 131					
	falfa)-205.00	Timothy 72.00-200.00		Mixed 00-205.00	Stra 75.00-1		Orchardgrass 80.00-170.00
		- Oct 28, 2002 -	100.	00-203.00	73.00-1	12.00	80.00-170.00
, , csministel	, wii - p/vale	- OCI 20, 2002 -		No Hay R	eport this week		
COLUTILEDA	MD ¢/bala	- Regional Farmers'		t Hay Sale	- November 4, 20)02	
SOUTHER	NID - \$/baie	- Regional Farmers		le Begins N	Vovember 2, 2002		
					ırday of each mor		
POULTRY	(Grade A) - We	eek Ending Nov 02,			e, cents/lbs		
NY Wtd Avg	(Ervorg)		<u>Current</u> 45.87	<u>Week</u> 45.		<u>Month Ago</u> 49.55	Year Ago 53.22
12-City Com			52.93	53.		54.83	59.39
LAMBS - W	estminster, MI	D - \$/cwt - Oct 29, 2	2002		,		
Ch	90-125 lbs	83.00-92.00) Ch	35- 60 lbs	90.00-112.	00 SI	neep - 9hd
	60- 90 lbs	85.00-97.00		130-160 lbs			5.00-46.00
ERMINAL	MARKETS H	OGS - Oct 31, 2002		DIRECT	MARKET HO	GS - Westminster, N	MD-Oct 30, 2002
Base Price I	Range (\$/cwt)	Carcass Basis	Sows (1-3)		10	&2 215-260 lbs	34.75-36.75
	.m.	Base 185 lb Hog	300-449 lbs	4			
Castern Corn	ideit	33.44-38.64	7.75-23.00	3.500	DEM 1 :=	.	7 1 11/05/05
owa, Minn	- a a	33.92-41.34	12.00-22.24	Millsbor), DE Market H	ogs - \$/cwt - Next S	Sale 11/05/02
	IGS - (\$/cwt) -			No II	lland DA O-4	20, 2002	
Gumboro, I Head:	DE - Trend			New Ho Head:	lland, PA - Oct 3 463 Trend: Fe	30, 2002 eeder pigs sharply high	er
		Sale November 18 th				10 lbs 50.00-56.0	
						58 lbs 48.00-52.0	
LIVE CAT' (\$ cwt) - Oc	TLE FUTURES	S - Chicago Mercant	tile Exchange-	HOG F	UTURES - Chica Oct 30, 2002	ago Mercantile Exc	hange -
Oct	69.37	Apr	74.47	Dec	42.10		58.70
Dec	72.37	Jun	69.42	Feb03	49.25		61.25
Fb03 STOCKER-	75.17 FFFDFR CAT	Aug TLE - (\$/cwt)	68.47	Apr	52.62	<u>:</u>	
	VA - Oct 28, 2	`	Westminet	ter. MD - 4	Oct 30, 2002+		
vvinchester, Steers	300-400 lbs		Steers	, MID - (701 00, 4004T	300- 500 lbs	70.00- 76.00
	400-500 lbs					500- 700 lbs	58.00- 67.00
	500-600 lbs					700- 900 lbs	57.00- 59.00
	600-700 lbs		TT . * 0		Hols	1125 lbs	44.00- 47.00
Heifers	700-800 lbs 300-400 lbs		Heifers			300 - 500 lbs 500- 700 lbs	55.00- 65.00 60.00- 68.50
11011013	400-500 lbs					700- 900 lbs	49.00- 56.00
	500-600 lbs		Hols Bulls			95- 115 lbs	85.00-104.00
	600-700 lbs			#2		84- 94 lbs	40.00- 57.00
	700-800 lbs		Hols Heife	ers #1		90- 110 lbs 80- 90 lbs	435.00-500.00
	800-900 lbs	66.00-68.00	Beef X Bu	lls & Heife	ers	0U- YU 10S	250.00-370.00 50.00- 92.00
Lancaster, N	New Holland &	Vintage - Week End			•		2.00
Bull, Holstei		95-125 lbs	72.00-117.00		Plainer	90-115 lbs	40.00- 70.00
Heifers, Hols			400.00-595.00		Plainer	85-110 lbs	170.00-370.00
	ER CATTLE (\$ er, MD - Oct 2						
Fed Steers	-, OCI 2	~, =\ \		Fed He	eifers		
Ch 2-3		-1475 lbs 64.00-6		Pr (2)		1290 & 1340 lbs	69.00-71.75
Ch - Hols		-1400 lbs 51.00-5 -1850 lbs 47.00-4		Low Dr Veal C		900- 1100 lbs	55.50-58.00
Cows	1700			Good		85- 110 lbs	30.00-46.00
Breakers Boners		35.00-4 33.00-3					
Lean		29.00-3					
Thin & Light		28.00-I					
		vintage - Week End					
Steers, Choic		1135-1450 lb 1135-1350 lb			Mostly steady	·+	
Heifers, Cho Cows, Break	ice 2-3 ers 75-80 pct lea		os 60.50- 35.50-		Steady in light tes \$2 - \$5 lower	ı	
Bullocks, Ch		1210-1590 lb	os 50.00-	59.00	No test		
Bulls, YG 1		1250-2140 lt			Steady		
Vaclor Ctone	dard & Good	85- 115 lt	os 25.00-	40.00	Steady to \$5 high	er	
Calves, Good	1 0 01	300- 400 lb	os 59.00-	(0.00	No trend		